

SCHEDULE RC-C -- LOANS AND LEASE FINANCING RECEIVABLES

Part I. Loans and Leases

General Instructions for Part I

Loans and lease financing receivables are extensions of credit resulting from either direct negotiation between the bank and its customers or the purchase of such assets from others. See the Glossary entries for "loan" and for "lease accounting" for further information.

On the FFIEC 032, 033, and 034, this schedule has one column for information on loans and lease financing receivables. On the FFIEC 031, this schedule has two columns for information on loans and lease financing receivables: column A provides loan and lease detail for the fully consolidated bank and column B provides detail on loans and leases held by the domestic offices of the reporting bank. (See the Glossary entry for "domestic office" for the definition of this term.)

Report the aggregate book value of all loans and leases before deduction of the "Allowance for loan and lease losses," which is to be reported in Schedule RC, item 4.b. Each item in this schedule should be reported net of (1) unearned income (to the extent possible) and (2) deposits accumulated for the payment of personal loans (hypothecated deposits). Net unamortized loan fees represent an adjustment of the loan yield, and shall be reported in this schedule in the same manner as unearned income on loans, i.e., deducted from the related loan balances (to the extent possible) or deducted from total loans in item 10 on the FFIEC 034 and in item 11 on the FFIEC 031, 032, and 033, "LESS: Any unearned income on loans reflected in items above." Net unamortized direct loan origination costs shall be added to the related loan balances in each item in this schedule. (See the Glossary entry for "loan fees" for further information.)

Exclude all loans and leases held for trading purposes (report in Schedule RC, item 5, "Trading assets," and, on the FFIEC 031 and 032, in the appropriate items of Schedule RC-D, Trading Assets and Liabilities, if applicable) and all intrabank transactions.

All loans are categorized in Schedule RC-C, part I, according to security, borrower, or purpose. Loans covering two or more categories are sometimes difficult to categorize. In such instances, categorize the entire loan according to the major criterion.

NOTE: On the FFIEC 033 and 034 only, four other schedules in the Reports of Condition and Income (Schedule RC-K, Quarterly Averages; Schedule RC-N, Past Due and Nonaccrual Loans, Leases, and Other Assets; Schedule RI, Income Statement; and Schedule RI-B, part I, Charge-offs and Recoveries on Loans and Leases) and one Memorandum item to this Schedule RC-C, part I, (Memorandum item 1 on the FFIEC 034; Memorandum item 2 on the FFIEC 033) require that certain data be reported by certain banks in terms of general loan categories that are based upon each bank's own internal loan categorization system. For further information, refer to the discussion of "Reporting of Loan Detail by Banks with Assets of Less Than \$300 Million and No Foreign Offices" in the General Instructions section of this book.

Report in Schedule RC-C, part I, all loans and leases on the books of the reporting bank even if on the report date they are past due and collection is doubtful. Exclude any loans or leases the bank has sold or charged off. Also exclude assets received in full or partial satisfaction of a loan or lease (unless the asset received is itself reportable as a loan or lease) and any loans for which the bank has obtained

General Instructions for Part I (cont.)

physical possession of the underlying collateral, regardless of whether formal foreclosure or repossession proceedings have been instituted against the borrower. Refer to the Glossary entries for "troubled debt restructurings" and "foreclosed assets" for further discussion of these topics.

Also report in the body of Schedule RC-C, part I, and in Schedule RC-C, part I, Memorandum item 5, the carrying value of all loans that are held for sale as part of the consolidated bank's mortgage banking activities or activities of a similar nature involving other types of loans. Loans held for sale shall be reported at the lower of cost or market value as of the report date. The amount by which cost exceeds market value, if any, shall be accounted for as a valuation allowance. For further information, see FASB Statement No. 65, "Accounting for Certain Mortgage Banking Activities."

Exclude, for purposes of this schedule, the following:

- (1) All loans of immediately available funds that mature in one business day or roll over under a continuing contract, i.e., federal funds sold (report in Schedule RC, item 3, "Federal funds sold and securities purchased under agreements to resell"). However, report overnight lending for commercial and industrial purposes as loans in this schedule.
- (2) All holdings of commercial paper (report in Schedule RC, item 5, if held for trading; report in Schedule RC-B, item 5, "Other debt securities," if held for purposes other than trading).
- (3) Contracts of sale or other loans indirectly representing other real estate (report in Schedule RC, item 7, "Other real estate owned").
- (4) Undisbursed loan funds, sometimes referred to as incomplete loans or loans in process, unless the borrower is liable for and pays the interest thereon. If interest is being paid by the borrower on the undisbursed proceeds, the amount of such undisbursed funds should be included in both loans and deposits. (Do not include loan commitments that have not yet been taken down, even if fees have been paid; see Schedule RC-L, item 1.)

Item Instructions for Part I**Item No. Caption and Instructions**

- 1 **Loans secured by real estate.** On the FFIEC 032, 033, and 034, report in the appropriate subitem all loans secured by real estate. On the FFIEC 031, report this item as a single total for the fully consolidated bank in column A but with a breakdown of loans secured by real estate into seven categories for domestic offices in column B. Include all loans (other than those to states and political subdivisions in the U.S.), regardless of purpose and regardless of whether originated by the bank or purchased from others, that are secured by real estate as evidenced by mortgages, deeds of trust, land contracts, or other instruments, whether first or junior liens (e.g., equity loans, second mortgages) on real estate. See the Glossary entry for "loan secured by real estate" for the definition of this term.

Include as loans secured by real estate:

- (1) Loans secured by residential properties that are guaranteed by the Farmers Home Administration (FmHA) and extended, collected, and serviced by a party other than the FmHA.

Part I. (cont.)**Item No. Caption and Instructions**

- 1** (2) Loans secured by properties and guaranteed by governmental entities in foreign countries.
- (3) Participations in pools of Federal Housing Administration (FHA) Title I home improvement loans that are secured by liens (generally, junior liens) on residential properties.

Exclude from loans secured by real estate:

- (1) Obligations (other than securities and leases) of states and political subdivisions in the U.S. secured by real estate (report in Schedule RC-C, part I, item 7 below on the FFIEC 034; Schedule RC-C, part I, item 8 below on the FFIEC 031, 032, and 033).
- (2) All loans and sales contracts indirectly representing other real estate (report in Schedule RC, item 7, "Other real estate owned").
- (3) Loans to real estate companies, real estate investment trusts, mortgage lenders, and foreign non-governmental entities that specialize in mortgage loan originations and that service mortgages for other lending institutions when the real estate mortgages or similar liens on real estate are not sold to the bank but are merely pledged as collateral (report in Schedule RC-C, part I, item 2, "Loans to depository institutions," or as all other loans in Schedule RC-C, part I, item 8, on the FFIEC 034; Schedule RC-C, part I, item 9, on the FFIEC 031, 032, and 033, as appropriate).
- (4) Notes issued and insured by the Farmers Home Administration and instruments (certificates of beneficial ownership and insured note insurance contracts) representing an interest in Farmers Home Administration-insured notes (report in Schedule RC-B, item 2.a, Securities "Issued by U.S. Government agencies").
- (5) Bonds issued by the Federal National Mortgage Association or by the Federal Home Loan Mortgage Corporation that are collateralized by residential mortgages (report in Schedule RC-B, item 2.b, Securities "Issued by U.S. Government-sponsored agencies").
- (6) Pooled residential mortgages for which participation certificates have been issued or guaranteed by the Government National Mortgage Association, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation (report in Schedule RC-B, item 4.a).

- 1.a Construction and land development.** Report (on the FFIEC 031, in column B) loans secured by real estate with original maturities of 60 months or less made to finance land development (i.e., the process of improving land -- laying sewers, water pipes, etc.) preparatory to erecting new structures or the on-site construction of industrial, commercial, residential, or farm buildings. For this item, "construction" includes not only construction of new structures, but also additions or alterations to existing structures and the demolition of existing structures to make way for new structures.

Include loans secured by real estate the proceeds of which are to be used to acquire and improve developed and undeveloped property.

Part I. (cont.)**Item No. Caption and Instructions**

1.a Also include loans made under Title I or Title X of the National Housing Act that conform
(cont.) to the definition of construction stated above and that are secured by real estate.

Exclude from construction and land development loans:

- (1) Loans to acquire and hold vacant land (report in Schedule RC-C, part I, item 1.b, 1.c, 1.d, or 1.e, depending upon the type of structure eventually to be constructed on the property or, if unknown, according to the type of structure for which the area is primarily zoned).
- (2) Loans secured by real estate that have original maturities greater than 60 months (report in Schedule RC-C, part I, item 1.b, 1.c, 1.d, or 1.e, as appropriate).
- (3) Loans to finance construction and land development that are not secured by real estate (report in other items of Schedule RC-C, part I, as appropriate).

1.b **Secured by farmland.** Report (on the FFIEC 031, in column B) loans secured by farmland and improvements thereon, as evidenced by mortgages or other liens. Farmland includes all land known to be used or usable for agricultural purposes, such as crop and livestock production. Farmland includes grazing or pasture land, whether tillable or not and whether wooded or not.

Include loans secured by farmland that are guaranteed by the Farmers Home Administration (FmHA) or by the Small Business Administration (SBA) and that are extended, serviced, and collected by any party other than FmHA or SBA.

Exclude, however, loans extended, serviced, collected, and insured by FmHA (report in Schedule RC-B, item 2.a, Securities "Issued by U.S. Government agencies"). Also exclude loans for farm property construction and land development purposes with original maturities of 60 months or less (report in Schedule RC-C, part I, item 1.a).

1.c **Secured by 1-4 family residential properties.** Report in the appropriate subitem (on the FFIEC 031, in column B) revolving and permanent loans secured by real estate as evidenced by mortgages (FHA, FmHA, VA, or conventional) or other liens on:

- (1) Nonfarm property containing 1 to 4 dwelling units (including vacation homes) or more than four dwelling units if each is separated from other units by dividing walls that extend from ground to roof (e.g., row houses, townhouses, or the like).
- (2) Mobile homes where (a) state laws define the purchase or holding of a mobile home as the purchase or holding of real property and where (b) the loan to purchase the mobile home is secured by that mobile home as evidenced by a mortgage or other instrument on real property.
- (3) Individual condominium dwelling units and loans secured by an interest in individual cooperative housing units, even if in a building with five or more dwelling units.
- (4) Vacant lots in established single-family residential sections or in areas set aside primarily for 1 to 4 family homes.

Part I. (cont.)**Item No. Caption and Instructions**

- 1.c** (5) Housekeeping dwellings with commercial units combined where use is primarily residential and where only 1 to 4 family dwelling units are involved.

(cont.)

Exclude loans for 1 to 4 family residential property construction and land development purposes with original maturities of 60 months or less (report in Schedule RC-C, part I, item 1.a).

- 1.c.(1)** **Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.** Report (on the FFIEC 031, in column B) the amount outstanding under revolving, open-end lines of credit secured by 1-to-4 family residential properties. These lines of credit, commonly known as home equity lines, are typically secured by a junior lien and are usually accessible by check or credit card.

- 1.c.(2)** **All other loans secured by 1-4 family residential properties.** Report in the appropriate subitem the amount of all permanent loans secured by 1-to-4 family residential properties (i.e., closed-end first mortgages or junior liens).

- 1.c.(2)(a)** **Secured by first liens.** Report (on the FFIEC 031, in column B) the amount of all permanent loans secured by first liens on 1-to-4 family residential properties.

- 1.c.(2)(b)** **Secured by junior liens.** Report (on the FFIEC 031, in column B) the amount of all permanent loans secured by junior (i.e., other than first) liens on 1-to-4 family residential properties. Include loans secured by junior liens in this item even if the bank also holds a loan secured by a first lien on the same 1-to-4 family residential property and there are no intervening junior liens.

- 1.d** **Secured by multifamily (5 or more) residential properties.** Report (on the FFIEC 031, in column B) all other permanent nonfarm residential loans secured by real estate as evidenced by mortgages (FHA and conventional) or other liens. Specifically, include loans on:

- (1) Nonfarm properties with 5 or more dwelling units in structures (including apartment buildings and apartment hotels) used primarily to accommodate households on a more or less permanent basis.
- (2) 5 or more unit housekeeping dwellings with commercial units combined where use is primarily residential.
- (3) Cooperative-type apartment buildings containing 5 or more dwelling units.
- (4) Vacant lots in established multifamily residential sections or in areas set aside primarily for multifamily residential properties.

Exclude loans for multifamily residential property construction and land development purposes with original maturities of 60 months or less (report in Schedule RC-C, part I, item 1.a). Also exclude loans secured by nonfarm nonresidential properties (report in Schedule RC-C, part I, item 1.e).

Part I. (cont.)**Item No. Caption and Instructions**

- 1.e Secured by nonfarm nonresidential properties.** Report (on the FFIEC 031, in column B) loans secured by real estate as evidenced by mortgages or other liens on business and industrial properties, hotels, motels, churches, hospitals, educational and charitable institutions, dormitories, clubs, lodges, association buildings, "homes" for aged persons and orphans, golf courses, recreational facilities, and similar properties.

Exclude loans for nonfarm nonresidential property construction and land development purposes with original maturities of 60 months or less (report in Schedule RC-C, part I, item 1.a).

- 2 Loans to depository institutions.** On the FFIEC 034, report as a single total and, on the FFIEC 031, 032, and 033, report in the appropriate subitem, all loans (other than those secured by real estate), including overdrafts, to banks, other depository institutions, and other associations, companies, and financial intermediaries whose primary business is to accept deposits and to extend credit for business or for personal expenditure purposes.

Depository institutions cover:

- (1) commercial banks in the U.S., including:
 - (a) U.S. branches and agencies of foreign banks, U.S. branches and agencies of foreign official banking institutions, and investment companies that are chartered under Article XII of the New York State banking law and are majority-owned by one or more foreign banks; and
 - (b) all other commercial banks in the U.S., i.e., U.S. branches of U.S. banks;
- (2) depository institutions in the U.S., other than commercial banks, including:
 - (a) credit unions;
 - (b) mutual or stock savings banks;
 - (c) savings or building and loan associations;
 - (d) cooperative banks; and
 - (e) other similar depository institutions; and
- (3) banks in foreign countries, including:
 - (a) foreign-domiciled branches of other U.S. banks; and
 - (b) foreign-domiciled branches of foreign banks.

See the Glossary entry for "banks, U.S. and foreign" and "depository institutions in the U.S." for further discussion of these terms.

Include as loans to depository institutions:

- (1) Loans to depository institutions for the purpose of purchasing or carrying securities.
- (2) Loans to depository institutions for which the collateral is a mortgage instrument and not the underlying real property. Report loans to depository institutions where the collateral is the real estate itself, as evidenced by mortgages or similar liens, in Schedule RC-C, part I, item 1.

Part I. (cont.)**Item No. Caption and Instructions**

- 2**
(cont.)
- (3) Purchases of mortgages and other loans under agreements to resell that do not involve the lending of immediately available funds or that mature in more than one business day, if acquired from depository institutions.
 - (4) Loan participations acquired from depository institutions that must be treated as secured borrowings rather than sales in accordance with generally accepted accounting principles. (See the Glossary entry for "transfers of financial assets" for further information.)
 - (5) The reporting bank's own acceptances discounted and held in its portfolio when the account party is another depository institution.

Exclude from loans to depository institutions:

- (1) All transactions reportable in Schedule RC, item 3, "Federal funds sold and securities purchased under agreements to resell."
- (2) Loans secured by real estate, even if extended to depository institutions (report in Schedule RC-C, part I, item 1).
- (3) Loans to holding companies of depository institutions (report as all other loans in Schedule RC-C, part I, item 8, on the FFIEC 034; Schedule RC-C, part I, item 9, on the FFIEC 031, 032, and 033).
- (4) Loans to real estate investment trusts and to mortgage companies that specialize in mortgage loan originations and warehousing or in mortgage loan servicing (report as all other loans in Schedule RC-C, part I, item 8, on the FFIEC 034; Schedule RC-C, part I, item 9, on the FFIEC 031, 032, and 033).
- (5) Loans to finance companies and insurance companies (report as all other loans in Schedule RC-C, part I, item 8, on the FFIEC 034; Schedule RC-C, part I, item 9, on the FFIEC 031, 032, and 033).
- (6) Loans to brokers and dealers in securities, investment companies, and mutual funds (report as all other loans in Schedule RC-C, part I, item 8, on the FFIEC 034; report as loans for purchasing or carrying securities in Schedule RC-C, part I, item 9, on the FFIEC 031, 032, and 033).
- (7) Loans to Small Business Investment Companies (report as all other loans in Schedule RC-C, part I, item 8, on the FFIEC 034; Schedule RC-C, part I, item 9, on the FFIEC 031, 032, and 033).
- (8) Loans to lenders other than brokers, dealers, and banks whose principal business is to extend credit for the purpose of purchasing or carrying securities (as described in Federal Reserve Regulation U) and loans to "plan lenders" (as defined in Federal Reserve Regulation G) (report as all other loans in Schedule RC-C, part I, item 8, on the FFIEC 034; report as loans for purchasing or carrying securities in Schedule RC-C, part I, item 9, on the FFIEC 031, 032, and 033).

Part I. (cont.)**Item No. Caption and Instructions**

- 2**
(cont.) (9) Loans to federally-sponsored lending agencies (report as all other loans in Schedule RC-C, part I, item 8, on the FFIEC 034; Schedule RC-C, part I, item 9, on the FFIEC 031, 032, and 033). Refer to the Glossary entry for "federally-sponsored lending agency" for the definition of this term.
- (10) Dollar exchange acceptances created by other banks or by foreign governments and official institutions (report on the FFIEC 034 in Schedule RC-C, part I, item 5 or 8, as appropriate; report on the FFIEC 031, 032, and 033 in Schedule RC-C, part I, item 5 or 7, as appropriate).
- (11) Loans to foreign governments and official institutions, including foreign central banks (report on the FFIEC 034 in Schedule RC-C, part I, item 8; report on the FFIEC 031, 032, and 033 in Schedule RC-C, part I, item 7). See the Glossary entry for "foreign governments and official institutions" for the definition of this term.

NOTE: Items 2.a through 2.c are not applicable to banks filing the FFIEC 034 report forms.

- 2.a To commercial banks in the U.S.** On the FFIEC 032 and 033, report in the appropriate subitem all loans and other instruments evidencing loans to domestic commercial banks and their branches in the U.S. On the FFIEC 031, report this item as a single total for the domestic offices of the bank in column B, but with a breakdown between loans to U.S. branches and agencies of foreign banks (Schedule RC-C, part I, item 2.a.(1)) and loans to other commercial banks in the U.S. (Schedule RC-C, part I, item 2.a.(2)) for the fully consolidated bank in column A.

Refer to the instruction to Schedule RC-C, part I, item 2 above, and to the Glossary entry for "banks, U.S. and foreign" for further discussion of the term "commercial banks in the U.S."

Exclude from Schedule RC-C, part I, items 2.a, 2.a.(1), and 2.a.(2) loans to other domestic depository institutions such as savings banks, savings and loan associations, and credit unions (report in Schedule RC-C, part I, item 2.b below).

- 2.a.(1) To U.S. branches and agencies of foreign banks.** Report (on the FFIEC 031 in column A) all loans to U.S. branches and agencies of foreign banks.

Exclude loans to U.S.-chartered banks that are owned by foreign banks or by foreign official banking institutions (report in Schedule RC-C, part I, item 2.a.(2) below).

- 2.a.(2) To other commercial banks in the U.S.** Report (on the FFIEC 031 in column A) all loans to commercial banks in the U.S., other than U.S. branches and agencies of foreign banks.

- 2.b To other depository institutions in the U.S.** Report (on the FFIEC 031, in columns A and B, as appropriate) loans to depository institutions, other than commercial banks, domiciled in the U.S. Refer to the instruction to Schedule RC-C, part I, item 2 above, and to the Glossary entry for "depository institutions in the U.S." for further discussion of the term "depository institutions in the U.S."

Exclude loans to commercial banks in the U.S. (report in Schedule RC-C, part I, item 2.a above).

Part I. (cont.)**Item No. Caption and Instructions**

NOTE: Item 2.c is not applicable to banks filing the FFIEC 034 report forms.

- 2.c To banks in foreign countries.** On the FFIEC 032 and 033, report in the appropriate subitem all loans and other instruments that represent loans to banks and their branches domiciled outside the U.S. On the FFIEC 031, report this item as a single total for the domestic offices of the bank in column B, but with a breakdown between loans to foreign branches of other U.S. banks (Schedule RC-C, part I, item 2.c.(1)) and loans to other banks in foreign countries (Schedule RC-C, part I, item 2.c.(2)) for the fully consolidated bank in column A.

See the instruction to Schedule RC-C, part I, item 2 above, and to the Glossary entry for "banks, U.S. and foreign" for further discussion of the term "banks in foreign countries."

Exclude loans to U.S. branches and agencies of foreign banks (report in Schedule RC-C, part I, item 2.a above);

- 2.c.(1) To foreign branches of other U.S. banks.** Report (on the FFIEC 031, in column A) all loans to foreign branches of other U.S. banks.

- 2.c.(2) To other banks in foreign countries.** Report (on the FFIEC 031, in column A) all loans to banks in foreign countries, other than foreign-domiciled branches of other U.S. banks.

- 3 Loans to finance agricultural production and other loans to farmers.** Report (on the FFIEC 031, in columns A and B, as appropriate) loans for the purpose of financing agricultural production. Include such loans whether secured (other than by real estate) or unsecured and whether made to farm and ranch owners and operators (including tenants) or to nonfarmers. All other loans to farmers, other than those excluded below, should also be reported in this item.

Include as loans to finance agricultural production and other loans to farmers:

- (1) Loans and advances made for the purpose of financing agricultural production, including the growing and storing of crops, the marketing or carrying of agricultural products by the growers thereof, and the breeding, raising, fattening, or marketing of livestock.
- (2) Loans and advances made for the purpose of financing fisheries and forestries, including loans to commercial fishermen.
- (3) Agricultural notes and other notes of farmers that the bank has discounted for, or purchased from, merchants and dealers, either with or without recourse to the seller.
- (4) Loans to farmers that are guaranteed by the Farmers Home Administration (FmHA) or by the Small Business Administration (SBA) and that are extended, serviced, and collected by a party other than the FmHA or SBA.
- (5) Loans and advances to farmers for purchases of farm machinery, equipment, and implements.

Part I. (cont.)**Item No. Caption and Instructions**

- 3** (6) Loans and advances to farmers for all other purposes associated with the
(cont.) maintenance or operations of the farm, including purchases of private passenger
 automobiles and other retail consumer goods and provisions for the living expenses of
 farmers or ranchers and their families.

Loans to farmers for household, family, and other personal expenditures (including credit cards and related plans) that are not readily identifiable as being made to farmers need not be broken out of Schedule RC-C, part I, item 6 for inclusion in this item.

Exclude from loans to finance agricultural production and other loans to farmers:

- (1) Loans secured by real estate (report in Schedule RC-C, part I, item 1).
- (2) Loans to farmers for commercial and industrial purposes, e.g., when a farmer is operating a business enterprise as well as a farm (report in Schedule RC-C, part I, item 4).
- (3) Loans to farmers for the purpose of purchasing or carrying stocks, bonds, and other securities (report as all other loans in Schedule RC-C, part I, item 8, on the FFIEC 034; report as loans for purchasing or carrying securities in Schedule RC-C, part I, item 9, on the FFIEC 031, 032, and 033).
- (4) Loans to farmers secured by oil or mining production payments (report in Schedule RC-C, part I, item 4).
- (5) Notes insured by the Farmers Home Administration (FmHA) and instruments (certificates of beneficial ownership, insured note insurance contracts) representing an interest in FmHA-insured notes (report in Schedule RC-B, item 2.a, Securities "Issued by U.S. Government agencies"). Such notes and instruments are backed by loans made, serviced, and collected by the Farmers Home Administration and were issued prior to January 1, 1975.

- 4** **Commercial and industrial loans.** Report (on the FFIEC 031, in columns A and B, as appropriate) loans for commercial and industrial purposes to sole proprietorships, partnerships, corporations, and other business enterprises, whether secured (other than by real estate) or unsecured, single-payment or installment. On the FFIEC 031, 032, and 033, report in the appropriate subitem commercial and industrial loans to U.S. and non-U.S. addressees. Commercial and industrial loans may take the form of direct or purchased loans. Include the reporting bank's own acceptances that it holds in its portfolio when the account party is a commercial or industrial enterprise. Also include loans to individuals for commercial, industrial, and professional purposes but not for investment or personal expenditure purposes. Exclude all commercial and industrial loans held for trading.

Part I. (cont.)**Item No. Caption and Instructions**

4 Include loans of the types listed below. These descriptions may overlap and are not all
(cont.) inclusive.

- (1) Loans for commercial, industrial, and professional purposes to:
 - (a) mining, oil- and gas-producing, and quarrying companies;
 - (b) manufacturing companies of all kinds, including those which process agricultural commodities;
 - (c) construction companies;
 - (d) transportation and communications companies and public utilities;
 - (e) wholesale and retail trade enterprises and other dealers in commodities;
 - (f) cooperative associations including farmers' cooperatives;
 - (g) service enterprises such as hotels, motels, laundries, automotive service stations, and nursing homes and hospitals operated for profit;
 - (h) insurance agents; and
 - (i) practitioners of law, medicine, and public accounting.
- (2) Loans for the purpose of financing capital expenditures and current operations.
- (3) Loans to business enterprises guaranteed by the Small Business Administration.
- (4) Loans to farmers for commercial and industrial purposes (when farmers operate a business enterprise as well as a farm).
- (5) Loans supported by letters of commitment from the Agency for International Development.
- (6) Loans made to finance construction that are not secured by real estate.
- (7) Loans to merchants or dealers on their own promissory notes secured by the pledge of their own installment paper.
- (8) Loans extended under credit cards and related plans that are readily identifiable as being issued in the name of a commercial or industrial enterprise.
- (9) Dealer flooring or floor-plan loans.
- (10) Loans collateralized by production payments (e.g., oil or mining production payments). Treat as a loan to the original seller of the production payment rather than to the holder of the production payment. For example, report in this item, as a loan to an oil company, a loan made to a nonprofit organization collateralized by an oil production payment; do not include in Schedule RC-C, part I, item 8 on the FFIEC 034 or item 9 on the FFIEC 031, 032, and 033 as a loan to the nonprofit organization.
- (11) Loans and participations in loans secured by conditional sales contracts made to finance the purchase of commercial transportation equipment.
- (12) Commercial and industrial loans guaranteed by foreign governmental institutions.
- (13) Overnight lending for commercial and industrial purposes.

Part I. (cont.)**Item No. Caption and Instructions****4**
(cont.)Exclude from commercial and industrial loans:

- (1) Loans secured by real estate, even if for commercial and industrial purposes (report in Schedule RC-C, part I, item 1).
- (2) Loans to depository institutions (report in Schedule RC-C, part I, item 2).
- (3) Loans to nondepository financial institutions such as real estate investment trusts, mortgage companies, and insurance companies (report as all other loans in Schedule RC-C, part I, item 8 on the FFIEC 034; item 9 on the FFIEC 031, 032, and 033).
- (4) Loans for the purpose of purchasing or carrying securities (report in Schedule RC-C, part I, item 8 on the FFIEC 034; item 9 on the FFIEC 031, 032, and 033).
- (5) Loans for the purpose of financing agricultural production, whether made to farmers or to nonagricultural businesses (report in Schedule RC-C, part I, item 3).
- (6) Loans to nonprofit organizations, such as hospitals or educational institutions (report as all other loans in Schedule RC-C, part I, item 8 on the FFIEC 034; item 9 on the FFIEC 031, 032, and 033), except those for which oil or mining production payments serve as collateral which are to be reported in this item.
- (7) Holdings of acceptances accepted by other banks (report in Schedule RC-C, part I, item 5).
- (8) Holdings of own acceptances when the account party is another bank (report in Schedule RC-C, part I, item 2) or a foreign government or official institution (report in Schedule RC-C, part I, item 8 on the FFIEC 034; item 7 on the FFIEC 031, 032, and 033).
- (9) Equipment trust certificates (report in Schedule RC-B, item 5, "Other debt securities").
- (10) Any commercial or industrial loans held by the reporting bank for trading (report in Schedule RC, item 5, "Trading assets").

NOTE: Items 4.a and 4.b are not applicable to banks filing the FFIEC 034 report forms.

4.a To U.S. addressees (domicile). Report (on the FFIEC 031, in columns A and B, as appropriate) all commercial and industrial loans to U.S. addressees. For a detailed discussion of U.S. and non-U.S. addressees, see the Glossary entry for "domicile."

4.b To non-U.S. addressees (domicile). Report (on the FFIEC 031, in columns A and B, as appropriate) all commercial and industrial loans to non-U.S. addressees. For a detailed discussion of U.S. and non-U.S. addressees, see the Glossary entry for "domicile."

Part I. (cont.)**Item No. Caption and Instructions**

- 5 Acceptances of other banks.** Report (on the FFIEC 031, in columns A and B, as appropriate) the bank's holdings of all bankers acceptances accepted by other banks and not held for trading. On the FFIEC 031 and 032, report in the appropriate subitem acceptances of U.S. banks and of foreign banks. Acceptances accepted by other banks may be purchased in the open market or discounted by the reporting bank. For further information, see the Glossary entry for "bankers acceptances."

Exclude acceptances accepted by the reporting bank, discounted, and held in its portfolio. Such acceptances are to be reported in other items of Schedule RC-C, part I, according to the account party.

NOTE: Items 5.a and 5.b are not applicable to banks filing the FFIEC 033 and 034 report forms.

- 5.a Of U.S. banks.** Report (on the FFIEC 031, in columns A and B, as appropriate) the bank's holdings of bankers acceptances accepted by other U.S. banks. U.S. banks include both the U.S. and foreign branches of U.S. banks. See the Glossary entry for "banks, U.S. and foreign" for the definition of U.S. banks.
- 5.b Of foreign banks.** Report (on the FFIEC 031, in columns A and B, as appropriate) the bank's holdings of bankers acceptances accepted by foreign banks. Foreign banks include both the U.S. and foreign branches of foreign banks. See the Glossary entry for "banks, U.S. and foreign" for the definition of foreign banks.

- 6 Loans to individuals for household, family, and other personal expenditures.** On the FFIEC 032, 033, and 034, report in the appropriate subitem all credit cards and related plans and other loans to individuals for household, family, and other personal expenditures. On the FFIEC 031, report this item as a single total for domestic offices in column B, but with a breakdown between credit cards and related plans (as described below in item 6.a) and other loans to individuals for household, family, and other personal expenditures (as described below in item 6.b) for the fully consolidated bank in column A. Include all loans to individuals for household, family, and other personal expenditures that are not secured by real estate, whether direct loans or purchased paper. Exclude loans to individuals for the purpose of purchasing or carrying securities (report in Schedule RC-C, part I, item 8 on the FFIEC 034; item 9 on the FFIEC 031, 032, and 033).

Deposits accumulated by borrowers for the payment of personal loans (i.e., hypothecated deposits) should be netted against the related loans.

- 6.a Credit cards and related plans.** Report (on the FFIEC 031, in column A) all extensions of credit to individuals for household, family, and other personal expenditures arising from bank credit cards or special prearranged overdraft plans. Report the total amount outstanding of all funds advanced under these plans by the reporting bank, regardless of whether there is a period before interest charges are made. Report only such credit carried on the books of the reporting bank as loans that is outstanding on the report date, even if the plan is shared with other banks or organizations and even if accounting and billing are done by a correspondent bank or the accounting center of a plan administered by others.

Part I. (cont.)**Item No. Caption and Instructions**

6.a Do not net credit balances resulting from overpayment of account balances on credit cards and related plans. On the FFIEC 032, 033, and 034, report credit balances in Schedule RC-E, item 1, columns A and B. On the FFIEC 031, report credit balances in Schedule RC-E, part I, item 1, columns A and B, or part II, item 1, as appropriate.

(cont.)

Exclude from credit cards and related plans:

- (1) Credit extended under such plans to business enterprises (report in Schedule RC-C, part I, item 4, "Commercial and industrial loans").
- (2) All ordinary (unplanned) overdrafts on transaction accounts not associated with check credit or revolving credit operations (report in other items of Schedule RC-C, part I, as appropriate).
- (3) All credit extended to individuals through credit cards and related plans secured by real estate (report in Schedule RC-C, part I, item 1).

If the bank acts only as agent or correspondent for other banks or nonbank corporations and carries no credit card or related plan assets on its books, enter a "zero" or the word "none." Banks that do not participate in any such plan should also enter a zero or the word "none."

6.b **Other.** Report (on the FFIEC 031, in column A) all other loans to individuals for household, family, and other personal expenditures (other than those secured by real estate and other than those for purchasing or carrying securities). Include loans for such purposes as:

- (1) purchases of private passenger automobiles, pickup trucks, household appliances, furniture, trailers, or boats;
- (2) repairs or improvements to the borrower's residence (not secured by real estate);
- (3) educational expenses, including student loans;
- (4) medical expenses;
- (5) personal taxes;
- (6) vacations;
- (7) consolidation of personal (nonbusiness) debts;
- (8) purchases of real estate or mobile homes (not secured by real estate) to be used as a residence by the borrower's family; and
- (9) other personal expenditures.

Such loans may take the form of:

- (1) Installment loans, demand loans, single payment time loans, and hire purchase contracts, and should be reported as loans to individuals for household, family, and other personal expenditures regardless of size or maturity and regardless of whether the loans are made by the consumer loan department or by any other department of the bank.
- (2) Retail installment sales paper purchased by the bank from merchants or dealers, finance companies, and others.

Part I. (cont.)**Item No. Caption and Instructions**

6.b Exclude from other loans to individuals for household, family, and other personal
 (cont.) expenditures:

- (1) All direct and purchased loans, regardless of purpose, secured by real estate as evidenced by mortgages, deeds of trust, land contracts, or other instruments, whether first or junior liens (e.g., equity loans, second mortgages), on real estate (report in Schedule RC-C, part I, item 1).
- (2) Loans to individuals not secured by real estate for the purpose of investing in real estate when the real estate is not to be used as a residence or vacation home by the borrower or by members of the borrower's family (report as all other loans in Schedule RC-C, part I, item 8 on the FFIEC 034; item 9 on the FFIEC 031, 032, and 033).
- (3) Loans to individuals for commercial, industrial, and professional purposes and for "floor plan" or other wholesale financing (report in Schedule RC-C, part I, item 4).
- (4) Loans to individuals for the purpose of purchasing or carrying securities (report in Schedule RC-C, part I, item 8 on the FFIEC 034; item 9 on the FFIEC 031, 032, and 033).
- (5) Loans to individuals for investment (as distinct from commercial, industrial, or professional) purposes other than those for purchasing or carrying securities (report as all other loans in Schedule RC-C, part I, item 8 on the FFIEC 034; item 9 on the FFIEC 031, 032, and 033).
- (6) Loans to merchants, automobile dealers, and finance companies on their own promissory notes, secured by the pledge of installment paper or similar instruments (on the FFIEC 034, report in Schedule RC-C, part I, item 4 or item 8, as appropriate; on the FFIEC 031, 032, and 033, report in Schedule RC-C, part I, item 4, or as all other loans in Schedule RC-C, part I, item 9, as appropriate).
- (7) Loans to farmers, regardless of purpose (to the extent they can be readily identified, report in Schedule RC-C, part I, item 3).
- (8) All credit extended to individuals for household, family, and other personal expenditures arising from bank credit cards or special prearranged overdraft plans (report in Schedule RC-C, part I, item 6.a).

Part I. (cont.)

FFIEC 031, 032, FFIEC 034 Item No.	and 033 Item No.	Caption and Instructions
-	7	<p><u>Loans to foreign governments and official institutions.</u> Report (on the FFIEC 031, in columns A and B, as appropriate) all loans (other than those secured by real estate), including planned and unplanned overdrafts, to governments in foreign countries, to their official institutions, and to international and regional institutions. See the Glossary entry for "foreign governments and official institutions" for the definition of this term.</p> <p><u>Include</u> bankers acceptances accepted by the reporting bank and held in its portfolio when the account party is a foreign government or official institution, including such acceptances for the purpose of financing dollar exchange. Exclude acceptances that are held for trading.</p> <p><u>Exclude</u> from loans to foreign governments and official institutions:</p> <ol style="list-style-type: none"> (1) Loans to nationalized banks and other banking institutions owned by foreign governments and not functioning as central banks, banks of issue, or development banks (report in the appropriate subitem of Schedule RC-C, part I, item 2). (2) Loans to U.S. branches and agencies of foreign official banking institutions (report as a loan to a commercial bank in the U.S. in Schedule RC-C, part I, item 2.a). (3) Loans to foreign-government-owned nonbank corporations and enterprises (report in Schedule RC-C, part I, item 4 or 9, as appropriate).
7	8	<p><u>Obligations (other than securities and leases) of states and political subdivisions in the U.S.</u> Report all obligations of states and political subdivisions in the United States (including those secured by real estate), other than leases and other than those obligations reported as securities issued by such entities in Schedule RC-B, item 3, "Securities issued by states and political subdivisions in the U.S.," or item 4, "Mortgage-backed securities." <u>Exclude</u> all such obligations held for trading.</p> <p>States and political subdivisions in the U.S. include:</p> <ol style="list-style-type: none"> (1) the fifty States of the United States and the District of Columbia and their counties, municipalities, school districts, irrigation districts, and drainage and sewer districts; and (2) the governments of Puerto Rico and of the U.S. territories and possessions and their political subdivisions. <p><u>Treatment of industrial development bonds (IDBs).</u> Industrial development bonds (IDBs), sometimes referred to as "industrial revenue bonds," are typically issued by local industrial development authorities to benefit private commercial</p>

Part I. (cont.)

FFIEC 034 Item No.	FFIEC 031, 032, and 033 Item No.	<u>Caption and Instructions</u>
7 (cont.)	8 (cont.)	<p>and industrial development. For purposes of these reports, all IDBs should be reported as securities issued by states and political subdivisions in the U.S. in Schedule RC-B, item 3, or as loans in this item, consistent with the asset category in which the bank reports IDBs on its balance sheet for other financial reporting purposes. Regardless of whether they are reported as securities in Schedule RC-B or as loans in Schedule RC-C, part I, all IDBs that meet the definition of a "security" in FASB Statement No. 115 must be measured in accordance with Statement No. 115.</p> <p><u>Treatment of other obligations of states and political subdivisions in the U.S.</u> In addition to those IDBs that are reported in this item in accordance with the preceding paragraph, also <u>include</u> in this item all obligations (other than securities) of states and political subdivisions in the U.S. <u>except</u> those that meet <u>any</u> of the following criteria:</p> <ol style="list-style-type: none"> (1) Industrial development bonds (IDBs) that are reported as securities in accordance with the reporting treatment described above (report as securities in Schedule RC, item 2, and Schedule RC-B, item 3). (2) Notes, bonds, and debentures (including tax warrants and tax-anticipation notes) that are rated by a nationally-recognized rating service (report as securities in Schedule RC, item 2, and Schedule RC-B, item 3). (3) Mortgage-backed securities issued by state and local housing authorities (report as securities in Schedule RC, item 2, and Schedule RC-B, item 4). (4) Obligations of state and local governments that are guaranteed by the United States Government (report as securities in Schedule RC, item 2, and Schedule RC-B, item 3). (5) Nonrated obligations of states and political subdivisions in the U.S. that the bank considers securities for other financial reporting purposes (report as securities in Schedule RC, item 2, and Schedule RC-B, item 3). (6) Lease financing receivables of states and political subdivisions in the U.S. (report as leases in Schedule RC-C, part I, item 9, on the FFIEC 034; in Schedule RC-C, part I, item 10, on the FFIEC 031, 032, and 033). (7) Obligations of states and political subdivisions in the U.S. held by the reporting bank for trading purposes (report in Schedule RC, item 5).

Part I. (cont.)

FFIEC 034 Item No.	FFIEC 031, 032, and 033 Item No.	<u>Caption and Instructions</u>
8	9	<p><u>Other loans.</u> On the FFIEC 034, report as a single total all loans for purchasing or carrying securities and all other loans that cannot properly be reported in one of the preceding items in this schedule. On the FFIEC 032 and 033, report in the appropriate subitem all loans for purchasing or carrying securities and all other loans that cannot properly be reported in one of the preceding items in this schedule. On the FFIEC 031, report this item as a single total for the fully consolidated bank in column A but with a breakdown between loans for purchasing or carrying securities (item 9.a) and all other loans (item 9.b) for domestic offices in column B.</p> <p><u>Loans for purchasing or carrying securities include:</u></p> <ol style="list-style-type: none"> (1) <u>All</u> loans to brokers and dealers in securities (other than those secured by real estate and those to depository institutions). (2) All loans, whether secured (other than by real estate) or unsecured, to any other borrower for the purpose of purchasing or carrying securities, such as: <ol style="list-style-type: none"> (a) Loans made to provide funds to pay for the purchase of securities at settlement date. (b) Loans made to provide funds to repay indebtedness incurred in purchasing securities. (c) Loans that represent the renewal of loans to purchase or carry securities. (d) Loans to investment companies and mutual funds, but <u>excluding</u> loans to Small Business Investment Companies. (e) Loans to "plan lenders" as defined in Section 207.4(a) of Federal Reserve Regulation G. (f) Loans to lenders other than brokers, dealers, and banks whose principal business is to extend credit for the purpose of purchasing or carrying securities as described in Section 221.3(q) of Federal Reserve Regulation U, unless the loan is excepted by that section.

For purposes of the Report of Condition, the purpose of a loan collateralized by "stock" is determined as follows:

- (1) For loans that are collateralized in whole or in part by "margin stock," as defined by Federal Reserve Regulation U, the purpose of the loan is determined by the latest Statement of Purpose (Form FR U-1) on file.

Part I. (cont.)

FFIEC 034 Item No.	FFIEC 031, 032, and 033 Item No.	<u>Caption and Instructions</u>
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8 (cont.)	9 (cont.)	(2) For loans that are collateralized by "stock" other than "margin stock," the bank may determine the purpose of the loan according to the most current information available.
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Exclude from loans for purchasing or carrying securities:

- (1) Loans to banks in foreign countries that act as brokers and dealers in securities (report in Schedule RC-C, part I, item 2, on the FFIEC 034; Schedule RC-C, part I, item 2.c, on the FFIEC 031, 032, and 033).
- (2) Loans to depository institutions for the purpose of purchasing or carrying securities (report in Schedule RC-C, part I, item 2, on the FFIEC 034; in subitems of Schedule RC-C, part I, item 2, as appropriate, on the FFIEC 031, 032, and 033).
- (3) Transactions reportable in Schedule RC, item 3, "Federal funds sold and securities purchased under agreements to resell."
- (4) Loans secured by real estate (report in Schedule RC-C, part I, item 1).

All other loans include all loans and discounts (other than loans for purchasing or carrying securities) that cannot properly be reported in one of the preceding items in Schedule RC-C, part I, such as:

- (1) Unplanned overdrafts to deposit accounts (except overdrafts of depository institutions, which are to be reported in Schedule RC-C, part I, item 2; overdrafts of states and political subdivisions in the U.S., which are to be reported in Schedule RC-C, part I, item 7 on the FFIEC 034; item 8 on the FFIEC 031, 032, and 033; and, on the FFIEC 031, 032, and 033 only, overdrafts of foreign governments and official institutions, which are to be reported in Schedule RC-C, part I, item 7).
- (2) Loans (other than those secured by real estate) to nonprofit organizations (e.g., churches, hospitals, educational and charitable institutions, clubs, and similar associations) except those collateralized by production payments where the proceeds ultimately go to a commercial or industrial organization (which are to be reported in Schedule RC-C, part I, item 4).
- (3) Loans to individuals for investment purposes (as distinct from commercial, industrial, or professional purposes), other than those secured by real estate.

Part I. (cont.)

FFIEC 034 Item No.	FFIEC 031, 032, and 033 Item No.	<u>Caption and Instructions</u>
8 (cont.)	9 (cont.)	<p>(4) Loans (other than those secured by real estate) to real estate investment trusts and to mortgage companies that specialize in mortgage loan originations and warehousing or in mortgage loan servicing. (Exclude outright purchases of mortgages or similar instruments by the bank from such companies, which are to be reported in Schedule RC-C, part I, item 1.)</p> <p>(5) Loans to holding companies of other depository institutions.</p> <p>(6) Loans to insurance companies.</p> <p>(7) Loans to finance companies, mortgage finance companies, factors and other financial intermediaries, short-term business credit institutions that extend credit to finance inventories or carry accounts receivable, and institutions whose functions are predominantly to finance personal expenditures (exclude loans to financial corporations whose sole function is to borrow money and relend it to its affiliated companies or a corporate joint venture in which an affiliated company is a joint venturer).</p> <p>(8) Loans to federally-sponsored lending agencies (see the Glossary entry for "federally-sponsored lending agency" for the definition of this term).</p> <p>(9) Loans to investment banks.</p> <p>(10) Loans and advances made to the bank's own trust department.</p> <p>(11) Loans to other domestic and foreign financial intermediaries whose functions are predominantly the extending of credit for business purposes, such as investment companies that hold stock of operating companies for management or development purposes.</p> <p>(12) Loans to Small Business Investment Companies.</p> <p>(13) On the FFIEC 034, loans to foreign governments, their official institutions, and international and regional institutions (other than those secured by real estate), including planned and unplanned overdrafts.</p> <p>(14) On the FFIEC 034, bankers acceptances accepted by the reporting bank and held in its portfolio when the account party is a foreign government or official institution, including such acceptances of the purpose of financing dollar exchange.</p> <p><u>Exclude</u> from all other loans extensions of credit initially made in the form of planned or "advance agreement" overdrafts other than those made to borrowers of the types whose obligations are specifically reportable in this item (report such planned overdrafts in other items of Schedule RC-C, part I, as</p>

Part I. (cont.)

FFIEC 031, 032, FFIEC 034 and 033		<u>Caption and Instructions</u>
<u>Item No.</u>	<u>Item No.</u>	

8 (cont.)	9 (cont.)	appropriate). For example, report advances to banks in foreign countries in the form of "advance agreement" overdrafts as loans to depository institutions in Schedule RC-C, part I, item 2, and overdrafts under consumer credit card and check-credit plans as loans to individuals in Schedule RC-C, part I, item 6. Report both planned and unplanned overdrafts on "due to" deposit accounts of depository institutions in Schedule RC-C, part I, item 2.
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NOTE: Items 9.a and 9.b are not applicable to banks filing the FFIEC 034 report forms.

- **9.a** **Loans for purchasing or carrying securities.** Report (on the FFIEC 031, in column B) all loans for purchasing or carrying securities (in domestic offices) as described above.
- **9.b** **All other loans.** Report (on the FFIEC 031, in column B) all other loans (in domestic offices) as described above.
- 9** **10** **Lease financing receivables (net of unearned income).** On the FFIEC 033 and 034, report as a single total all outstanding receivable balances relating to direct financing and leveraged leases on property acquired by the bank for leasing purposes. On the FFIEC 032, report in the appropriate subitem all outstanding receivable balances relating to direct financing and leveraged leases on property acquired by the bank for leasing to U.S. and non-U.S. addressees. On the FFIEC 031, report this item as a single total for domestic offices in column B but with a breakdown between lease financing receivables of U.S. addressees (item 10.a) and lease financing receivables of non-U.S. addressees (item 10.b) for the fully consolidated bank in column A. These balances should include the estimated residual value of leased property and must be net of unearned income. For further discussion of leases where the bank is the lessor, refer to the Glossary entry for "lease accounting."

Include all lease financing receivables of states and political subdivisions in the U.S.

NOTE: Items 10.a and 10.b are not applicable to banks filing the FFIEC 033 and 034 report forms.

- **10.a** **Of U.S. addressees (domicile).** Report (on the FFIEC 031, in column A) all outstanding receivable balances relating to direct financing and leveraged leases on property acquired by the fully consolidated bank for leasing to U.S. addressees (see the Glossary entry for "domicile").
- **10.b** **Of non-U.S. addressees (domicile).** Report (on the FFIEC 031, in column A) all outstanding receivable balances relating to direct financing and leveraged leases on property acquired by the fully consolidated bank for leasing to non-U.S. addressees (see the Glossary entry for "domicile").

Part I. (cont.)

FFIEC 031, 032, FFIEC 034 and 033		
<u>Item No.</u>	<u>Item No.</u>	<u>Caption and Instructions</u>
10	11	<p><u>LESS: Any unearned income on loans reflected in items above.</u> To the extent possible, the preferred treatment is to report the specific loan categories net of unearned income. A reporting bank should enter (on the FFIEC 031, in columns A and B of this item, as appropriate) unearned income only to the extent that it is included in (i.e., <u>not</u> deducted from) the various loan items (items 1 through 8 on the FFIEC 034; items 1 through 9 on the FFIEC 031, 032, and 033) of this Schedule RC-C, part I. If a bank reports each loan item net of unearned income, enter a zero or the word "none."</p> <p>Do <u>not</u> include unearned income on lease financing receivables in this item (on the FFIEC 034, deduct from Schedule RC-C, part I, item 9; on the FFIEC 031, 032, and 033, deduct from Schedule RC-C, part I, item 10).</p>
11	12	<p><u>Total loans and leases, net of unearned income.</u> On the FFIEC 034, report the sum of items 1 through 9 less the amount reported in item 10. On the FFIEC 032 and 033, report the sum of items 1 through 10 less the amount reported in item 11. On the FFIEC 031, report in columns A and B, as appropriate, the sum of items 1 through 10 less the amount reported in item 11.</p>

Part I. (cont.)**Memoranda**

FFIEC 031, 032, FFIEC 034 and 033		<u>Caption and Instructions</u>
<u>Item No.</u>	<u>Item No.</u>	

-	1	Not applicable.
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1	2	<p><u>Loans and leases restructured and in compliance with modified terms.</u> For purposes of this item, restructured loans and leases are those loans and leases whose terms have been modified, because of a deterioration in the financial condition of the borrower, to provide for a reduction of either interest or principal, regardless of whether such loans and leases are secured or unsecured, regardless of whether such credits are guaranteed by the government or by others, and (except as noted in the following paragraph) regardless of the effective interest rate on such credits. However, <u>exclude</u> from this item all restructured loans secured by 1-to-4 family residential properties and all restructured loans to individuals for household, family, and other personal expenditures.</p>
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Once an obligation has been restructured because of such credit problems, it continues to be considered restructured until paid in full. However, a restructured obligation that is in compliance with its modified terms and yields a market rate (i.e., the recorded amount of the obligation bears an effective interest rate that at the time of the restructuring is greater than or equal to the rate that the bank is willing to accept for a new extension of credit with comparable risk) need not continue to be reported as a troubled debt restructuring in this Memorandum item in calendar years after the year in which the restructuring took place. A loan extended or renewed at a stated interest rate equal to the current interest rate for new debt with similar risk is not considered a restructured loan. Also, a loan to a purchaser of "other real estate owned" by the reporting bank for the purpose of facilitating the disposal of such real estate is not considered a restructured loan. For further information, see the Glossary entry for "troubled debt restructurings."

Include in this item all restructured loans and leases as defined above that are in compliance with their modified terms, that is, restructured loans and leases (1) on which no contractual payments of principal or interest scheduled under the modified repayment terms are due and unpaid or (2) on which contractual payments of both principal and interest scheduled under the modified repayment terms are less than 30 days past due.

Exclude from this item (1) those restructured loans and leases on which under the modified repayment terms either principal or interest is 30 days or more past due (report in Schedule RC-N, column A or B, as appropriate) and (2) those restructured loans and leases that are in nonaccrual status under the modified repayment terms (report in Schedule RC-N, column C).

On the FFIEC 033 and 034, this Schedule RC-C memorandum item (but not the body of Schedule RC-C itself) and four other schedules in the Reports of Condition and Income permit banks to report loan detail in terms of general

Part I. (cont.)**Memoranda**

FFIEC 031, 032, FFIEC 034 and 033		
<u>Item No.</u>	<u>Item No.</u>	<u>Caption and Instructions</u>
1 (cont.)	2 (cont.)	loan categories that are based upon each bank's own internal loan categorization system. While the definitions for the general loan categories are left to the choice of each reporting bank, each bank <u>must</u> use consistent definitions for these categories in each of the four schedules and this memorandum item. For further information, refer to the discussion of "Reporting of Loan Detail by Banks with Assets of Less Than \$300 Million and No Foreign Offices" in the General Instructions section of this book.

On the FFIEC 031 and 032, the loan and lease categories specified in this memorandum item correspond to the loan and lease category definitions for Schedule RC-C above. On the FFIEC 031, report this memorandum item on a fully consolidated basis in column A only.

Loan amounts should be reported net of unearned income to the extent that they are reported net of unearned income in Schedule RC-C, part I. All lease amounts must be reported net of unearned income.

FFIEC 031 FFIEC 034 and 033			
<u>Item No.</u>	<u>Item No.</u>	<u>Item No.</u>	<u>Caption and Instructions</u>
1.a	2.a	-	<u>Real estate loans.</u> Report real estate loans (other than those secured by 1-to-4 family residential properties) that have been restructured and are in compliance with their modified terms. For purposes of this memorandum item, real estate loans include those loans that each reporting bank characterizes as such in its own recordkeeping systems or for its own internal purposes.
1.b	2.b	-	<u>All other loans and all lease financing receivables.</u> Report all loans other than real estate loans and all lease financing receivables (as defined for Schedule RC-C, part I, item 9 on the FFIEC 034; item 10 on the FFIEC 033) that have been restructured and are in compliance with their modified terms. <u>Exclude</u> all loans to individuals for household, family, and other personal expenditures.
-	-	2.a	<u>Loans secured by real estate.</u> Report in the appropriate subitem loans secured by real estate (corresponds to Schedule RC-C, part I, item 1, excluding those loans secured by 1-to-4 family residential properties in Schedule RC-C, part I, item 1.c) that have been restructured and are in compliance with their modified terms.
-	-	2.a.(1)	<u>To U.S. addressees (domicile).</u> Report loans to U.S. addressees that are secured by real estate (other than those secured by 1 to 4 family residential properties) that have been restructured and are in compliance with their modified terms.

Part I. (cont.)**Memoranda**

		FFIEC 031 and 032	
FFIEC 034 Item No.	FFIEC 033 Item No.	Item No.	Caption and Instructions
-	-	2.a.(2)	<u>To non-U.S. addressees (domicile).</u> Report loans to non-U.S. addressees that are secured by real estate (other than those secured by 1 to 4 family residential properties) that have been restructured and are in compliance with their modified terms.
-	-	2.b	<u>All other loans and all lease financing receivables.</u> Report all loans other than loans secured by real estate (corresponds to Schedule RC-C, part I, items 2 through 5 and 7 through 9) and all lease financing receivables (corresponds to Schedule RC-C, part I, item 10) that have been restructured and are in compliance with their modified terms. <u>Exclude</u> all loans to individuals for household, family, and other personal expenditures (corresponds to Schedule RC-C, part I, item 6).
-	-	2.c	<u>Commercial and industrial loans to and lease financing receivables of non-U.S. addressees (domicile) included in Memorandum item 2(b) above.</u> Report commercial and industrial loans to non-U.S. addressees (corresponds to Schedule RC-C, part I, item 4.b) and lease financing receivables of non-U.S. addressees (corresponds to Schedule RC-C, part I, item 10.b) that have been restructured and are in compliance with their modified terms. These loans and leases will have been included in Memorandum item 2.b above.

		FFIEC 031, 032, and 033	
FFIEC 034 Item No.	Item No.	Item No.	Caption and Instructions
2	3		<u>Maturity and repricing data for loans and leases (excluding those in nonaccrual status).</u> Report in the appropriate subitem maturity and repricing data for the bank's loans and leases. Loans and leases are to be reported in this Memorandum item regardless of whether they are current or are reported as "past due and still accruing" in Schedule RC-N, columns A and B. However, <u>exclude</u> those loans and leases that are reported as "nonaccrual" in Schedule RC-N, column C.

On the FFIEC 034, the sum of Memorandum items 2.a.(1) through 2.b.(6) plus total nonaccrual loans and leases from Schedule RC-N, sum of items 1 through 5, column C, must equal Schedule RC-C, sum of items 1 through 9. On the FFIEC 033, the sum of Memorandum items 3.a.(1) through 3.b.(6) plus total nonaccrual loans and leases from Schedule RC-N, sum of items 1 through 5, column C, must equal Schedule RC-C, sum of items 1 through 10. On the FFIEC 031 and 032, the sum of Memorandum items 3.a.(1) through 3.b.(6) plus total nonaccrual loans and leases from Schedule RC-N, sum of items 1 through 8, column C, must equal Schedule RC-C, sum of items 1 through 10 (column A on the FFIEC 031).

Part I. (cont.)**Memoranda**

FFIEC 034 Item No.	FFIEC 031, 032, and 033 Item No.	<u>Caption and Instructions</u>
2 (cont.)	3 (cont.)	<p>On the FFIEC 031, banks that have more than one office in foreign countries (including offices of consolidated foreign subsidiaries but excluding "shell" branches, excluding offices in Puerto Rico or U.S. territories and possessions, and excluding IBFs) have the option of excluding the smallest of such non-U.S. offices from Memorandum item 3. Such banks may omit the smallest of their offices in foreign countries (other than "shell" branches) when arrayed by total assets <u>provided</u> that the assets of the excluded offices do not exceed 50 percent of the total assets of the bank's offices (excluding "shells") in foreign countries <u>and</u> do not exceed 10 percent of the total <u>consolidated</u> assets of the reporting bank as of the report date. (Note: In determining the total assets of offices in foreign countries eligible for exclusion from these memorandum items, banks should exclude not only "shell" branches but also offices in Puerto Rico and U.S. territories and possessions, domestic offices of Edge and Agreement subsidiaries, and IBFs even though these are sometimes referred to as "foreign" offices. Also, the asset totals for all offices in foreign countries should be the component of the total consolidated assets, i.e., should exclude all intrabank transactions.)</p>

For purposes of this memorandum item, the following definitions apply:

A fixed interest rate is a rate that is specified at the origination of the transaction, is fixed and invariable during the term of the loan or lease, and is known to both the borrower and the lender. Also treated as a fixed interest rate is a predetermined interest rate which is a rate that changes during the term of the loan on a predetermined basis, with the exact rate of interest over the life of the loan known with certainty to both the borrower and the lender when the loan is acquired. Examples of predetermined-rate transactions are: (1) Loans that carry a specified interest rate, for, say, six months and thereafter carry a rate equal to a specific percentage over the initial rate. (2) Loans that carry a specified interest rate while the loan amount is below a certain threshold amount but carry a different specified rate above that threshold (e.g., a line of credit where the interest rate is 10% when the unpaid balance of amounts advanced is \$100,000 or less, and 8% when the unpaid balance is more than \$100,000).

A floating rate is a rate that varies, or can vary, in relation to an index, to some other interest rate such as the rate on certain U.S. Government securities or the bank's "prime rate," or to some other variable criterion the exact value of which cannot be known in advance. Therefore, the exact rate the loan carries at any subsequent time cannot be known at the time of origination.

When the rate on a loan with a floating rate has reached a contractual floor or ceiling level, the loan is to be treated as "fixed rate" rather than as "floating rate" until the rate is again free to float.

Part I. (cont.)**Memoranda**

FFIEC 034 Item No.	FFIEC 031, 032, and 033 Item No.	Caption and Instructions
2 (cont.)	3 (cont.)	<p><u>Remaining maturity</u> is the amount of time remaining from the report date until the final contractual maturity of a loan or lease without regard to the loan's or lease's repayment schedule, if any.</p> <p><u>Repricing frequency</u> is how often the contract permits the interest rate on a floating rate loan to be changed (e.g., daily, monthly, quarterly, semiannually, annually) without regard to the length of time between the report date and the date the rate can next change or the final maturity of the loan.</p> <p>For fixed rate loans and leases with scheduled contractual payments, banks whose records provide repricing data on the basis of these scheduled contractual payments, with or without the effect of anticipated prepayments, may adjust these data in an appropriate manner to derive reasonable estimates for the final contractual maturities of such fixed rate loans and leases. For floating rate loans, banks whose records provide data on the length of time between the report date and the date the rate can next change (i.e., the earliest possible repricing opportunity) may adjust these data in an appropriate manner to derive reasonable estimates for the repricing frequencies of their floating rate loans.</p> <p>Loan amounts should be reported net of unearned income to the extent that they have been reported net of unearned income in Schedule RC-C, part I, items 1 through 8 on the FFIEC 034; items 1 through 9 on the FFIEC 031, 032, and 033. Leases must be reported net of unearned income.</p> <p>Fixed rate loans and leases that are past due (with respect to principal or interest) and still accruing should be reported according to the time remaining to final contractual maturity without regard to delinquency status. Floating rate loans that are past due (with respect to principal or interest) and still accruing should be reported according to repricing frequency without regard to delinquency status.</p> <p>Report all unplanned overdrafts as fixed rate loans with a remaining maturity of three months or less in Memorandum item 2.b.(1) on the FFIEC 034 and in Memorandum item 3.b.(1) on the FFIEC 031, 032, and 033.</p> <p>Report all leases, net of unearned income, as fixed rate instruments in Memorandum item 2.b on the FFIEC 034 and in Memorandum item 3.b on the FFIEC 031, 032, and 033 according to the amount of time remaining to final contractual maturity without regard to repayment schedules.</p>

Part I. (cont.)**Memoranda**

<u>FFIEC 034 Item No.</u>	<u>FFIEC 031, 032, and 033 Item No.</u>	<u>Caption and Instructions</u>
2 (cont.)	3 (cont.)	<p>Report fixed rate and floating rate loans made solely on a demand basis (i.e., without an alternate maturity date or without repayment terms) as having a remaining maturity or repricing frequency of three months or less in Memorandum items 2.a.(1) and 2.b.(1), as appropriate, on the FFIEC 034 and in Memorandum items 3.a.(1) and 3.b.(1), as appropriate, on the FFIEC 031, 032, and 033.</p> <p>Fixed rate demand loans that have an alternate maturity date or repayment terms are to be reported in this Memorandum item according to the amount of time remaining to the alternate maturity date or final payment due date. Floating rate demand loans that have an alternate maturity date or repayment terms are to be reported according to repricing frequency in Memorandum items 2.a and 2.b, as appropriate, on the FFIEC 034 and in Memorandum items 3.a and 3.b, as appropriate, on the FFIEC 031, 032, and 033.</p> <p>Fixed rate "credit cards and related plans" are considered to have a remaining maturity of over one year through three years and should be reported in Memorandum item 2.b.(3) on the FFIEC 034 and in Memorandum item 3.b.(3) on the FFIEC 031, 032, and 033, regardless of the actual maturity experience or expectation. Floating rate "credit cards and related plans" (e.g., where the rate varies, or can be varied, periodically) are to be reported in Memorandum item 2.b on the FFIEC 034 and in Memorandum item 3.b on the FFIEC 031, 032, and 033 according to repricing frequency. Where the bank in its contract with the borrower simply reserves the right to change the interest rate on the "credit card or related plan," the plan should be considered to have a fixed rate.</p> <p>Student loans whose interest rate is adjusted periodically by the U.S. Government by means of interest payments that include an amount of "additional interest" should be treated as floating rate loans and should be reported in Memorandum item 2.b on the FFIEC 034 and in Memorandum item 3.b on the FFIEC 031, 032, and 033 according to the frequency with which the interest rate is adjusted.</p> <p>Fixed rate loans secured by real estate that are held by the bank for sale and delivery to the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, or other secondary market participants under the terms of a binding commitment should be reported in Memorandum item 2.a or 2.b, as appropriate, on the FFIEC 034 and in Memorandum item 3.a or 3.b, as appropriate, on the FFIEC 031, 032, and 033 on the basis of the time remaining until the delivery date specified in the commitment. Floating rate loans secured by real estate that are held by the bank for sale and delivery in the secondary market under the terms of a binding commitment should be</p>

Part I. (cont.)**Memoranda**

FFIEC 034 Item No.	FFIEC 031, 032, and 033 Item No.	<u>Caption and Instructions</u>
2 (cont.)	3 (cont.)	<p>reported in Memorandum item 2.a or 2.b, as appropriate, on the FFIEC 034 and in Memorandum item 3.a or 3.b, as appropriate, on the FFIEC 031, 032, and 033 according to their repricing frequency regardless of the delivery date specified in the commitment.</p> <p>For floating rate loans on which the borrower has the option at each repricing date to choose the next repricing date, the repricing frequency of a loan should be determined by reference to the repricing option currently in effect as of the report date.</p>
2.a	3.a	<p><u>Closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) with a remaining maturity or repricing frequency of</u> Report the dollar amount of the bank's <u>fixed rate</u> closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) in the appropriate subitems according to the amount of time remaining to their final contractual maturities (without regard to repayment schedules, if any). Report the dollar amount of the bank's <u>floating rate</u> closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) in the appropriate subitems according to their repricing frequencies, that is, how often the contract permits the interest rates on the loans to be changed (e.g., daily, monthly, quarterly, semiannually, annually) without regard to the length of time between the report date and the dates the rates can next change or final maturity dates. Exclude loans that are in nonaccrual status.</p>
2.a.(1)	3.a.(1)	<p><u>Three months or less.</u> Report the amount of:</p> <ul style="list-style-type: none"> o the bank's fixed rate closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) with remaining maturities of three months or less, <u>and</u> o the bank's floating rate closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) which can be repriced quarterly or more frequently (e.g., quarterly, monthly, weekly, daily).
2.a.(2)	3.a.(2)	<p><u>Over three months through 12 months.</u> Report the amount of:</p> <ul style="list-style-type: none"> o the bank's fixed rate closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) with remaining maturities (without regard to repayment schedules, if any) of over three months through 12 months, <u>and</u> o the bank's floating rate closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) which can be repriced annually or more frequently, but less frequently than quarterly (e.g., annually, semiannually).

Part I. (cont.)**Memoranda**

FFIEC 031, 032, FFIEC 034 Item No.	FFIEC 031, 032, and 033 Item No.	<u>Caption and Instructions</u>
2.a.(3)	3.a.(3)	<u>Over one year through three years.</u> Report the amount of: <ul style="list-style-type: none"> o the bank's fixed rate closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) with remaining maturities (without regard to repayment schedules, if any) of over one year through three years, <u>and</u> o the bank's floating rate closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) which can be repriced every three years or more frequently, but less frequently than annually (e.g., every three years, every two years).
2.a.(4)	3.a.(4)	<u>Over three years through five years.</u> Report the amount of: <ul style="list-style-type: none"> o the bank's fixed rate closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) with remaining maturities (without regard to repayment schedules, if any) of over three years through five years, <u>and</u> o the bank's floating rate closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) which can be repriced every five years or more frequently, but less frequently than every three years (e.g., every five years, every four years).
2.a.(5)	3.a.(5)	<u>Over five years through 15 years.</u> Report the amount of: <ul style="list-style-type: none"> o the bank's fixed rate closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) with remaining maturities (without regard to repayment schedules, if any) of over five years through 15 years, <u>and</u> o the bank's floating rate closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) which can be repriced every 15 years or more frequently, but less frequently than every five years (e.g., every 15 years, every ten years).
2.a.(6)	3.a.(6)	<u>Over 15 years.</u> Report the amount of: <ul style="list-style-type: none"> o the bank's fixed rate closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) with remaining maturities (without regard to repayment schedules, if any) of over 15 years, <u>and</u> o the bank's floating rate closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) which can be repriced less frequently than every 15 years (e.g., every 20 years, every 25 years).

Part I. (cont.)**Memoranda**

FFIEC 031, 032, FFIEC 034 Item No.	FFIEC 031, 032, and 033 Item No.	Caption and Instructions
2.b	3.b	<p><u>All loans and leases other than closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) with a remaining maturity or repricing frequency of.</u> Report the dollar amount of the bank's <u>fixed rate</u> loans and leases -- <i>other than closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices)</i> -- in the appropriate subitems according to the amount of time remaining to their final contractual maturities (without regard to repayment schedules, if any). Report the dollar amount of the bank's <u>floating rate</u> loans -- <i>other than closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices)</i> -- in the appropriate subitems according to their repricing frequencies, that is, how often the contract permits the interest rates on the loans to be changed (e.g., daily, monthly, quarterly, semiannually, annually) without regard to the length of time between the report date and the dates the rates can next change or final maturity dates. Exclude loans that are in nonaccrual status.</p>
2.b.(1)	3.b.(1)	<p><u>Three months or less.</u> Report the amount of:</p> <ul style="list-style-type: none"> o the bank's fixed rate loans and leases -- other than closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) -- with remaining maturities of three months or less, <u>and</u> o the bank's floating rate loans -- other than closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) -- which can be repriced quarterly or more frequently (e.g., quarterly, monthly, weekly, daily).
2.b.(2)	3.b.(2)	<p><u>Over three months through 12 months.</u> Report the amount of:</p> <ul style="list-style-type: none"> o the bank's fixed rate loans and leases -- other than closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) -- with remaining maturities (without regard to repayment schedules, if any) of over three months through 12 months, <u>and</u> o the bank's floating rate loans -- other than closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) -- which can be repriced annually or more frequently, but less frequently than quarterly (e.g., annually, semiannually).
2.b.(3)	3.b.(3)	<p><u>Over one year through three years.</u> Report the amount of:</p> <ul style="list-style-type: none"> o the bank's fixed rate loans and leases -- other than closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) -- with remaining maturities (without regard to repayment schedules, if any) of over one year through three years, <u>and</u>

Part I. (cont.)**Memoranda**

FFIEC 034 Item No.	FFIEC 031, 032, and 033 Item No.	<u>Caption and Instructions</u>
2.b.(3) (cont.)	3.b.(3) (cont.)	<ul style="list-style-type: none"> o the bank's floating rate loans -- other than closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) -- which can be repriced every three years or more frequently, but less frequently than annually (e.g., every three years, every two years).
2.b.(4)	3.b.(4)	<p><u>Over three years through five years.</u> Report the amount of:</p> <ul style="list-style-type: none"> o the bank's fixed rate loans and leases -- other than closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) -- with remaining maturities (without regard to repayment schedules, if any) of over three years through five years, <u>and</u> o the bank's floating rate loans -- other than closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) -- which can be repriced every five years or more frequently, but less frequently than every three years (e.g., every five years, every four years).
2.b.(5)	3.b.(5)	<p><u>Over five years through 15 years.</u> Report the amount of:</p> <ul style="list-style-type: none"> o the bank's fixed rate loans and leases -- other than closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) -- with remaining maturities (without regard to repayment schedules, if any) of over five years through 15 years, <u>and</u> o the bank's floating rate loans -- other than closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) -- which can be repriced every 15 years or more frequently, but less frequently than every five years (e.g., every 15 years, every ten years).
2.b.(6)	3.b.(6)	<p><u>Over 15 years.</u> Report the amount of:</p> <ul style="list-style-type: none"> o the bank's fixed rate loans and leases -- other than closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) -- with remaining maturities (without regard to repayment schedules, if any) of over 15 years, <u>and</u> o the bank's floating rate loans -- other than closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) -- which can be repriced less frequently than every 15 years (e.g., every 20 years, every 25 years).

Part I. (cont.)**Memoranda**

FFIEC 031, 032, FFIEC 034 Item No.	FFIEC 031, 032, and 033 Item No.	Caption and Instructions
2.c	3.c	<p><u>Fixed rate and floating rate loans and leases with a remaining maturity of one year or less.</u> Report all loans and leases with a remaining maturity of one year or less. Include both fixed rate and floating rate loans and leases.</p> <p>On the <u>FFIEC 034</u>, the fixed rate loans and leases included in this item will also have been reported by remaining maturity in Schedule RC-C, part I, Memorandum items 2.a.(1), 2.a.(2), 2.b.(1), and 2.b.(2) above. The floating rate loans included in this item will have been reported by repricing frequency in Memorandum items 2.a.(1) through 2.a.(6) and 2.b.(1) through 2.b.(6) above. However, Memorandum items 2.a.(1), 2.a.(2), 2.b.(1), and 2.b.(2) above include floating rate loans with a remaining maturity of more than one year, but with a repricing frequency of one year or less; those loans should not be included in this Memorandum item 2.c.</p> <p>On the <u>FFIEC 031, 032, and 033</u>, the fixed rate loans and leases included in this item will also have been reported in Schedule RC-C, part I, Memorandum items 3.a.(1), 3.a.(2), 3.b.(1), and 3.b.(2) above. The floating rate loans included in this item will have been reported by repricing frequency in Memorandum items 3.a.(1) through 3.a.(6) and 3.b.(1) through 3.b.(6) above. However, Memorandum items 3.a.(1), 3.a.(2), 3.b.(1), and 3.b.(2) above include floating rate loans with a remaining maturity of more than one year, but with a repricing frequency of one year or less; those loans should not be included in this Memorandum item 3.c.</p>
2.d	3.d	<p><u>Fixed rate and floating rate loans secured by nonfarm nonresidential properties (in domestic offices) with a remaining maturity of over five years.</u> Report all loans secured by nonfarm nonresidential properties (in domestic offices) (as defined for Schedule RC-C, part I, item 1.e, (column B on the FFIEC 031)) with a remaining maturity of over five years. Include both fixed rate and floating rate loans secured by nonfarm nonresidential properties.</p> <p>On the <u>FFIEC 034</u>, the fixed rate loans secured by nonfarm nonresidential properties included in this item will also have been reported by remaining maturity in Schedule RC-C, part I, Memorandum items 2.b.(5) and 2.b.(6) above. The floating rate loans secured by nonfarm nonresidential properties included in this item will have been reported by repricing frequency in Memorandum items 2.b.(1) through 2.b.(6) above. However, Memorandum items 2.b.(5) and 2.b.(6) above may include floating rate loans with a remaining maturity of five years or less, but with a repricing frequency of over five years; those loans should not be included in this Memorandum item 2.d.</p> <p>On the <u>FFIEC 031, 032, and 033</u>, the fixed rate loans secured by nonfarm nonresidential properties included in this item will also have been reported by remaining maturity in Schedule RC-C, part I, Memorandum items 3.b.(5)</p>

Part I. (cont.)**Memoranda**

FFIEC 034 Item No.	FFIEC 031, 032, and 033 Item No.	<u>Caption and Instructions</u>
2.d (cont.)	3.d (cont.)	and 3.b.(6) above. The floating rate loans secured by nonfarm nonresidential properties included in this item will have been reported by repricing frequency in Memorandum items 3.b.(1) through 3.b.(6) above. However, Memorandum items 3.b.(5) and 3.b.(6) above may include floating rate loans with a remaining maturity of five years or less, but with a repricing frequency of over five years; those loans should not be included in this Memorandum item 3.d.
2.e	3.e	<p data-bbox="479 657 1476 814"><u>Fixed rate and floating rate commercial and industrial loans with a remaining maturity of over three years.</u> Report all commercial and industrial loans (as defined for Schedule RC-C, part I, item 4, (column A on the FFIEC 031)) with a remaining maturity of over three years. Include both fixed rate and floating rate commercial and industrial loans.</p> <p data-bbox="479 846 1476 1087">On the <u>FFIEC 034</u>, the fixed rate commercial and industrial loans included in this item will also have been reported by remaining maturity in Schedule RC-C, part I, Memorandum items 2.b.(4), 2.b.(5), and 2.b.(6) above. The floating rate commercial and industrial loans included in this item will have been reported by repricing frequency in Memorandum items 2.b.(1) through 2.b.(6) above. However, Memorandum items 2.b.(4), 2.b.(5), and 2.b.(6) above may include floating rate loans with a remaining maturity of three years or less, but with a repricing frequency of over three years; those loans should not be included in this Memorandum item 2.e.</p> <p data-bbox="479 1119 1476 1360">On the <u>FFIEC 031, 032, and 033</u>, the fixed rate commercial and industrial loans included in this item will also have been reported by remaining maturity in Schedule RC-C, part I, Memorandum items 3.b.(4), 3.b.(5), and 3.b.(6) above. The floating rate commercial and industrial loans included in this item will have been reported by repricing frequency in Memorandum items 3.b.(1) through 3.b.(6) above. However, Memorandum items 3.b.(4), 3.b.(5), and 3.b.(6) above may include floating rate loans with a remaining maturity of three years or less, but with a repricing frequency of over three years; those loans should not be included in this Memorandum item 3.e.</p> <p data-bbox="479 1392 649 1419">Not applicable.</p>
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Part I. (cont.)**Memoranda****Item No. Caption and Instructions**

- 4 Loans to finance commercial real estate, construction, and land development activities included in Schedule RC-C, part I, items 4 and 9, above (on the FFIEC 034, items 4 and 8, above).** Report in this item loans to finance commercial and residential real estate activities, e.g., acquiring, developing, and renovating commercial and residential real estate, that are reported in the FFIEC 034, in Schedule RC-C, part I, items 4, "Commercial and industrial loans," and 8, "All other loans;" in the FFIEC 032 and 033 in Schedule RC-C, part I, items 4, "Commercial and industrial loans," and 9.b, "All other loans;" and in the FFIEC 031 in Schedule RC-C, part I, items 4, "Commercial and industrial loans," and 9, "Other loans," column A.

Such loans generally may include:

- (1) loans made for the express purpose of financing real estate ventures as evidenced by loan documentation or other circumstances connected with the loan; or
- (2) loans made to organizations or individuals 80 percent of whose revenue or assets are derived from or consist of real estate ventures or holdings.

Exclude from this item all loans secured by real estate that are reported in Schedule RC-C, part I, item 1, above. Also exclude loans to commercial and industrial firms where the sole purpose for the loan is to construct a factory or office building to house the company's operations or employees.

- 5 Loans and leases held for sale.** Report in this item the carrying value of all loans and leases that are held for sale and included in Schedule RC-C, part I, above. Loans and leases held for sale shall be reported at the lower of cost or market value as of the report date. The amount by which cost exceeds market value, if any, shall be accounted for as a valuation allowance.

- 6 Adjustable rate closed-end loans secured by first liens on 1-4 family residential properties** Report the amount of closed-end loans secured by first liens on 1-4 family residential properties (in domestic offices) included in Schedule RC-C, part I, item 1.c.(2)(a), (column B on the FFIEC 031), above, that have a floating or adjustable interest rate.

A floating or adjustable rate is a rate that varies, or can vary, in relation to an index, to some other interest rate such as the rate on certain U.S. Government securities, or to some other variable criterion the exact value of which cannot be known in advance. Therefore, the exact rate the loan carries at any subsequent time cannot be known at the time of origination. For purposes of this item, even if the rate on a loan with a floating or adjustable rate can no longer float because it has reached a floor or ceiling level, the loan is to be reported in this item as an adjustable rate loan.

Also include in this item amortizing fixed rate loans secured by first liens on 1-4 family residential properties that have original maturities of one year or less and require a balloon payment at maturity.